million in 1950 to about 2.2 million at the end of 1964 (and a further decline to 2.1 million in late 1966), despite a rise from 12 to 18 million in the population aged 65 and over. The number of recipients in other public assistance programs has increased (except in general assistance). Although expenditures have increased for old-age assistance as well as for other public assistance categories, it seems clear that without OASDHI these costs would have risen much more sharply.

Another incidental effect has been a narrowing of the income differential between aged Negroes and other elderly people. OASDHI benefits are the primary source of support for elderly Negroes as well as for elderly white persons. The generally lower earnings of Negroes means that their benefit amounts, on the average, are below those of white workers. However, the benefit formula is comparatively more generous to persons with low earnings. As a result, many aged Negroes find, for the first time in their lives, that their current income more nearly approximates that of white Americans in their age group.

The monthly cash benefits have relieved relatives of some of the burden of supporting the aged, disabled, and dependent children. The health insurance program similarly will reduce the need for contributions from relatives for meeting heavy costs of major illnesses affecting older family members.

In addition to increased concentrations of retired persons in favorable climates, the program may be presumed to have some varied regional impacts because of income redistribution effects. Proportionate benefits from the system probably are highest in areas with lower-than-average incomes or with relatively large numbers of retired persons and other dependent groups eligible for benefit payments. In economically depressed areas—and especially those communities from which able-bodied workers in their prime years have emigrated—OASDHI benefits are a particularly important source of family support. This kind of geographic differential may become more pronounced with the continued growth of the program.

The railroad retirement, survivors, and disability insurance system and Government employees' retirement and disability systems (including military retired pay) are large separate programs that are either closely related to the OASDHI system or have related economic effects. None of these other income maintenance programs has the magnitude of OASDHI, but each is large in its own field. Information about economic effects is sparse, but a few scattered points may be noted, as follows:

The railroad retirement system since 1961 has provided for about 40,000 retiring railroad workers each year, in a period when railroad employment was shrinking by an average of 23,000 a year.

The Civil Service Commission reported that in 1964 civil service annuities were 61 percent of the total income of the annuitants. The average annuity in that year was $2,212.

The majority of persons who are retired from military service for nondisability reasons are young, often have family responsibilities, and in most cases cannot support themselves and their families on their military retired pay. They seek employment to supplement their retired pay. The majority of those retired for disability receive small incomes and normally, if their physical condition permits, will try to find gainful employment to supplement their benefits.